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## Commerce Acquisition Manual Updated May 24, 2005

The Commerce Acquisition Manual, Part 13, Section 1313.301 Purchase Card Procedures was updated effective May 24, 2005. Modification updated Section 1.4 — Roles and Responsibilities—by clarifying purchase card program roles and adding responsibilities to the cardholder role. The modification included the addition of new Section 3.8—Section 508 of the Rehabilitation Act—to provide guidance and training requirements for cardholders and approving officials on Section 508. Attachment B sample of Electronic & Information Technology (EIT) Procurement Checklist for Section 508 compliance was added.

CAM 1313.301 can be viewed at [website address http://oam.ocs.doc.gov/CAPPS\\_cam.html](http://oam.ocs.doc.gov/CAPPS_cam.html).

The CAM chapter is in a continuous state of updating. The Department of Commerce Risk Management (RM) team meets quarterly to review recommended policy changes. RM advises DOC cardholders, approving officials and program coordinators to be aware of published updates and to re-read the CAM Chapter at least once a year as a refresher.

# SmartPay Newsletter

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## VISA Forum 2005

The annual Visa Forum was held in Washington, D.C. May 5, 2005. Bruce Sullivan reported the latest statistics. Visa supports 88% of the Government travel card, and 80% of the purchase card programs. Due to their high usage, Visa is on the forefront of program enhancements which include Visa Best Practice and Optimization. They continue to work on new products, one of which is the Prepaid card. Visa is always looking to improve merchant acceptance, supplier enrollment, perform outreach to small business and find payment solutions for large ticket items. Visa has been instrumental in providing OMB available to the Government Agency Program Coordinators on a quarterly basis and recognizes that the government is faced with more challenges to include creditworthiness, competitive sourcing and data mining.

Janette Labbee, Director, Commerce Bankcard Center (CBC), accepted this year's Visa Optimization Award on behalf of CBC and the SmartPay Program. Citibank nominated Department of Commerce for this prestigious award for maintaining a highly effective program.

### National Association of Purchase Card Professionals

The 6th Annual NAPCP Conference was held in Orlando, Florida April 10–13, 2005. This forum allows corporate networking opportunities on purchase card programs, displays at exhibitors' booths and attendance at speaking sessions during the annual 4-day conference. It is worthwhile for government purchase card, travel and fleet

representatives to get a taste of the practices in the corporate world.

One of the hot topics of discussion was Qualified Payment Card Agent (QPCA). The IRS requires a corporate cardholder making payments of \$600 or more in a calendar year to service merchants to file a Form 1099 with the IRS. To meet IRS requirements the document must contain the merchant's legal name, address and Taxpayer Identification Number (TIN). When a payment card organization becomes a QPCA, the administrative and financial burden placed on corporations will be relieved resulting in a more streamlined annual 1099 tax filing processing. Visa and MasterCard have applied to become a QPCA. When granted this qualification, the associations will be able to seek a merchant's TIN information on a corporation's behalf, validate the accuracy of data elements with the IRS and report the results allowing the association to better serve its corporate customers by reducing costs for 1099 filings.

Another session provided by Visa dealt with Electronic Transactions. The speaker touched on the business payment process today and results from a recent survey Visa initiated to businesses indicated they plan to reduce their use of checks as a business-to-business payment tool and increase payment with cards by 40 percent.

The survey revealed a jump in the number of users accessing online access for payment and invoice related

data. Visa is targeting the expanded use of the card as payment for larger business-to-business transactions by demonstrating value for both suppliers and cardholders. To prove beneficial, suppliers must provide Level II and Level III data. As a result, Visa states the supplier will realize increased sales volume, improved cash flow, less paperwork to process, enhanced customer acquisition and retention and improved customer service.

### Purchase Card Data Mining

In response to OIG and OMB recommendations, CBC implemented data mining in the third quarter FY 2005. Utilizing Discoverer software in conjunction with the CBC database allows various types of data mining, drilling down to the cardholder's purchase card transaction data for patterns of spending. Collection of information for possible fraud or misuse of the purchase card involves gathering data from authorizations obtained on weekends and holidays. Searching on these isolated dates allows auditing of possible questionable charges such as hardware stores, wholesale clubs, furniture store and electronics on non-work days. Cursors, random audits performed throughout the billing cycle produce reports of cardholders using the same vendor. This method of auditing is a check on split purchases as well as vendor favoritism. CBC will continue to expand its data mining processes to further evaluate the spending trends and report findings to program coordinators and OMB.